

## Code of Ethics

This Code of Ethics was enacted by the Board of Directors of the International Business Brokers Association and is a part of the bylaws of the association. This Code is for the use by all members of the association as a means of establishing a uniform standard of conduct for business brokers. We adhere to the ethical principles of business and believe the investment risk and effort required to build a profitable going business or enterprise deserves a fair evaluation and a straightforward, professional, and honest presentation to both seller and buyer.

**Article One:** The business broker should keep himself/herself informed as to affecting trends business opportunities.

**Article Two:** The business broker shall make a reasonable effort to protect the public and all parties to a transaction against fraud, misrepresentation, or unethical practices in the area of business opportunities.

**Article Three:** The business broker shall have a responsibility to recommend that clients use attorneys and tax accountants for independent advice on transactions.

**Article Four:** The business broker should keep in a special bank account, separated from his/her own funds, monies coming into his/her possession in trust for other persons.

**Article Five:** The business broker, for the protection of all parties with whom he/she deals, should see that financial obligations and commitments regarding business opportunity transactions of which he/she is a part are in writing, expressing the exact agreement of the parties. He/she should also see that copies of such agreements are placed in the hands of all parties involved.

**Article Six:** A business broker, in accepting employment as an agent, pledges himself/herself to protect and promote the interests of the client. This obligation of absolute loyalty and honesty to his/her client's interest is primary, but it does not relieve the business broker from the obligations of dealing fairly with all parties to the transaction.

**Article Seven:** Since the business broker is representing one or another party to a transaction, he/she should not accept compensation from more than one party without full knowledge of all parties to the transaction.

**Article Eight:** The business broker shall not serve as both principal and consultant on a transaction unless a full disclosure is made in writing to all principals involved.

**Article Nine:** The exclusive listing of property should be urged and practiced by the business broker.

**Article Ten:** The business broker, when acting as an agent in the management of a business, should not accept any commission, rebate, or profit on expenditures made for an owner without the owner's knowledge and consent.

**Article Eleven:** The business broker should not undertake to make an appraisal that is outside or beyond the scope of his/her experience without first obtaining the assistance of an authority on such types of property unless the extent or lack of experience of the business broker is fully disclosed to the client.

**Article Twelve:** A business broker when making a formal appraisal of a business opportunity should not render an opinion without

careful and thorough analysis and interpretation of all market and economic factors affecting the value of the property.

**Article Thirteen:** The business broker should not undertake to make an appraisal or render an opinion of value on any property when he/she has a present or contemplated interest unless such an interest is specifically disclosed in the appraisal when his/her employment or fee is contingent upon the amount of his/her appraisal.

**Article Fourteen:** The business broker should not submit or advertise business without authority; in any offerings, the price quoted should not be other than that agreed upon with the owners as the offering price. A business broker should always have written authorization to sell or purchase as the case may be from the prospective seller or purchaser. Said in writing shall include all the material of the terms of the sale or purchase, including price, term of the agreement, and compensation to be paid to the business broker.

**Article Fifteen:** All bona fide written offers will be submitted to the seller. The decision to accept or reject an offer remains with the seller at all times.

**Article Sixteen:** The business broker will not engage in the practice of disclosing one buyer's offer to another buyer as a sales technique.

**Article Seventeen:** The business broker should seek no unfair advantage over his/her fellow brokers, and should willingly share with them the lessons of his/her experience and study.

**Article Eighteen:** The business broker should conduct his/her business to avoid controversies with his/her fellow brokers, cooperate with the association and its officers in all matters, including investigations, censure, discipline, or dismissal of members who, by their conduct, prejudice their professional status or the reputation of the association.

**Article Nineteen:** In the best interest of the association, society, and his/her associates, the business broker should be loyal to his/her community and active in its work.

**Article Twenty:** The business broker shall not deny equal professional services to any persons for reasons of race, creed, sex, or country of origin. The business broker shall not be a party to any plan or agreement to discriminate against a person or persons on the basis of race, creed, sex, or country of national origin.